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High Flying to Tailspin: Otto E. Szekely and His Troubled Aircraft and Engine Company

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Otto E. Szekely and His Troubled Aircraft and Engine Company

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Even though research material on Szekely was somewhat sketchy and company records were not available to me, I felt this was such an interesting story that I would pursue it in the hopes that my article would bring to light additional information.

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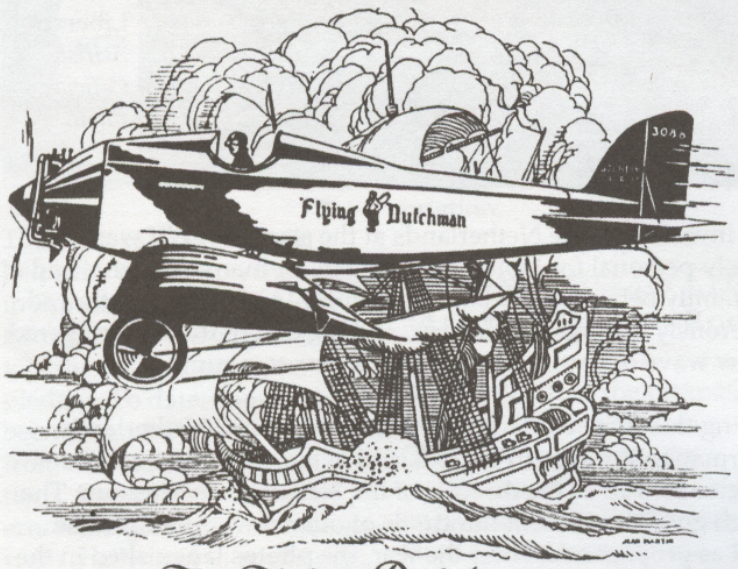

...The Flying Dutchman...

I love flying. In the air one finds out there is some supreme guidance, call it what you will.

Otto Szekely

Hungarian native Otto Szekely immigrated to the United States in 1910. Eventually he found himself in Holland, Michigan where he established one of the city's most unusual and ultimately unsuccessful companies of the 1920s and 1930s, the Szekely Aircraft and Engine Company.

Szekely had been originally drawn to Holland by the Holland Furnace Company co-founder, August H. Landwehr, to improve the poorly designed washing machines of the fledgling Vac-A-Tap Company. The desperate Landwehr turned over the administration of the failing company to Szekely. However, the company still failed, and the malfunctioning machines were returned by the railroad carloads to Holland for scrapping.

Szekely dropped that company, and in October 1926 formed the O.E. Szekely Company and moved to Holland's north side operating in the old Aniline Dye Works on Howard Avenue.

In July 1927, Szekely began manufacturing replacement automotive piston rings. The press reported that 500,000 were made the first six months, with steady increases expected. This would prove to be his most profitable business venture of the many that would follow. As the new venture took off, Szekely, wife Marian and daughters Elizabeth, Marjorie, and Mary Lee took up residence at 141 East 10th Street.

In February of 1928, Szekely announced that his company would start manufacturing a three-cylinder, air-cooled, radial motor to meet the increasing need for American-made airplanes currently powered by European motors. This was in addition to the brisk manufacturing of piston rings and assembling of gasoline and electric motors to electrical generators.

In October 1928, expensive testing began on a five-cylinder motor designed for two passenger planes also being designed at the plant.

As business increased in all areas of his company, Szekely acquired the foundry and manufacturing company of Burke Engineering Company at 12 West Fourth Street. Referred to as Plant #2, the facility was used to produce motors and generating units which sold well.

As Szekely gained influence as

a local businessman, he pressed for a suitable airfield to increase his and Holland's appeal to potential airplane manufacturers. Holland obliged with a new airport which opened on August 20, 1928 on a corner of what is now 16th Street and U.S. 31. Plans for a flight training school and air-mail route were also discussed.

Always looking to expand, Szekely began production of his own airplanes at a plant at 338 West Tweflth Street. There he produced aircraft motors and the Flying Dutchman monoplane weighing only 850 pounds. A press release boasted that production would rival Ford Motor Company someday, if the current production of 24 planes per week and seventy-two motors steadily increased. Records ultimately would show that only 21 planes were ever registered, and 19 were owned by Szekely.

He was a very smart engineer, but a lousy businessman. He was very liberal with money and did not care where it came from

Conrad Lohman, Szekely engineer

The Flying Dutchman was exhibited at the International Aircraft Show in Los Angeles where famed aviator Charles Lindbergh was quoted as saying, "Mighty fine, a neat looking little job." Two west coast company contracts reportedly were signed for production of the aircraft now appearing in advertisements. There she was described as an economical ship capable of traveling 35 miles per gallon at a cruising speed of 80 m.p.h. for $2000.

With the apparent success of the Flying Dutchman, in 1928 Szekely began testing on a new five-cylinder motor, designed for two-passenger planes. The same year the company had a public stock offering at $45 per share.

While enthusiastic investors purchased shares, a local Committee on Aviation was appointed by the Holland Rotary Club to investigate ways to improve the existing airport or to construct a new one to increase Holland's chances of attracting air-mail and air-bus transportation contracts. Members included Bernard Donnelly, Dr. R.H. Nichols, Otto E. Szekely, Charles Drew, and Charles Kirchen.

I like to build an engine, to assimilate materials, make something run and bark like hell and at the same time run so smoothly that one cannot tell it is in motion.

Otto Szekely

Szekely wanted to concentrate on his first love -- aircraft and their engines. In November 1928, he divided the company, putting himself in charge of the Aircraft and Engine Division, and A.H. Landwehr in charge of its other manufacturing concerns. An Ohio firm was purchased and brought to Holland to produce the ever popular, money-making piston rings. In December 1928, there was a thirty day shutdown to implement the proposed one million dollar expansion that promised to increase the company's size by tenfold. The shutdown triggered rumors as the expansion did not materialize.

Szekely employees @ 1930 at old northside Holland airport.

The storm clouds of the Depression were gathering, but Szekely managed to retain an air of success. He moved his family to a new brick home at 668 State Street. Szekely created a nationwide sales force and announced expansion plans once again.

On June 22, 1929, the Szekely Airport was dedicated to Holland's aviation pioneer. The new facility, located on the site of the present day West Ottawa schools, featured two 2,200, and two 1,500 foot

runways.

After the dedication in July, the Szekely Aircraft and Engine Company boasted of the production of twenty-four planes and forty-two motors per week. In reality, however, they were producing only one engine per day. Essentially, the production of the Flying Dutchman had come to an end. Rumors of trouble persisted.

In January 1931, Szekely assured local people that his aircraft company would remain in Holland. He announced that the Szekely Aircraft and Engine Company planned to expand to fill new orders.

In February 1931, business did, indeed, look positive as construction began on the expansion of the aircraft and motor plant at West Twelfth Street. By March, the company reportedly doubled its workforce to meet demand.

A big mistake Szekely made was the decision to build a five cylinder rotary engine. The required tests with the government ate up lots of money.

Conrad Lohmann

In September 1931, four models of Szekely engines were sent to Washington for government testing in an attempt to attract government orders which would shore up what was in reality a financially troubled company.

Soon the SR3 model engine was approved by government testers, but the remaining three continued to be tested. The company struggled to fund the testing during brutal economic times, but failed, and the three were never approved before funds ran out.

By March, 1932, Szekely Aircraft and Engine Company officials filed for bankruptcy, and the Szekely family left Holland. Disgruntled employees either left or received worthless stock certificates as pay. While many stayed loyal to the company, many never saw the money they were due.

Eventually the Grand Rapids Trust Company was named receiver and the plant was semi-idle for almost four years as the Szekely Aircraft and Engine Company Aviation Holding Company. Finally, in June 1936, Grand Rapids businessmen, John M. and Albert P. Crell of Michigan Bumper, purchased the Tweflth Street plant (now Thermotron Industries) for use in manufacturing steam engines for motor buses, railways, trucks, and aircraft.

Other than a few surviving three cylinder models in museums and small working aircraft, Szekely's last bit of fame came when aviators recognized a Szekely motor powered plane in the 1938 film *Men With Wings*.

After leaving Holland, the trail of the Szekely family is almost unknown. It is believed that they left Holland for Elmira, New York, then Philadelphia, Georgia, and eventually Florida where Otto was believed to have passed away during the 1970s.

Michmerhuizen and his Szekely engine, 1977

In 1977, local resident Phil Michmerhuizen fulfilled a dream of returning to Holland a part of the city's history, a three cylinder Szekely aircraft engine made here some 50 years earlier. In time he installed the engine in his antique 1936 J-2 Taylor Cub which he had the misfortune to crash nose-first at an air fair in Park Township in 1992. He escaped with his life, but sustained serious injuries. He salvaged the engine, and Gary Van Farowe, Ken Dannenberg and he restored it. Mr. and Mrs. Michmerhuizen have donated it to the Holland Museum. It may be just about all that is left to remind us of the colorful bit of our commercial history that was the Szekely (pronounced Zay-ki) Engine and Aircraft Company. Visitors can see the engine on display in the permanent gallery. Exhibit stand by Jack Elenbaas.